

CHAPTER FOUR

TONY RODHAM’S ROLE IN LOBBYING FOR GRANTS OF EXECUTIVE CLEMENCY

TABLE OF CONTENTS

FINDINGS OF THE COMMITTEE	1
INTRODUCTION	2
I. EDGAR AND VONNA JO GREGORY	3
A. Background	3
B. Tony Rodham’s Relationship with the Gregorys	4
C. Tony Rodham’s Efforts to Help the Gregorys Obtain Pardons	7
D. Deliberations by the Administration.....	10
E. Conclusion	12
II. FERNANDO FUENTES COBA	14
A. Background on Fernando Fuentes Coba	14
B. The Pardon Attorney Refuses to Process Fuentes’ Clemency Petition	15
C. Tony Rodham’s Attempt to Become Involved in the Fuentes Clemency Effort	17
D. Tony Rodham’s Representations to Mannerud Were Fraudulent	19

FINDINGS OF THE COMMITTEE

Tony Rodham's Role in the Case of Edgar and Vonna Jo Gregory

- *Tony Rodham lobbied President Clinton to grant pardons to Edgar and Vonna Jo Gregory while he was receiving substantial sums of money from the Gregorys.* Rodham received \$244,769 in salary from the Gregorys over two and a half years and also received another \$79,000 in loans from the Gregorys. The Gregorys claim that they paid Rodham this large sum of money for various consulting services that Rodham provided to the Gregorys. However, the Gregorys do not have any documentation reflecting work performed for them by Rodham.
- *Given the fact that the Gregorys do not have any documentary evidence reflecting the \$244,769 of work performed for them by Rodham, substantial questions are raised as to what Rodham actually did for the Gregorys that was so valuable.* The most valuable thing that Rodham did for the Gregorys was to obtain presidential pardons. Therefore, there is a substantial question as to whether the Gregorys paid Rodham for his efforts to obtain presidential pardons for them.
- *If Rodham was paid to obtain presidential pardons for the Gregorys, it creates the strong appearance of impropriety.* The prospect of financial benefit for Rodham would taint Rodham's actions in lobbying for the pardon. Also, if President Clinton knew about Rodham's financial arrangement, it would taint his actions in granting the pardons.
- *Compounding the appearance of impropriety in the Gregorys case is the fact that the pardons were opposed by the Justice Department, the prosecutors responsible for the case, and the Gregorys' sentencing judge.* Apparently, the only people in the Clinton Administration who felt that the Gregorys deserved pardons were President Clinton and Deputy White House Counsel Bruce Lindsey, both of whom knew of Tony Rodham's involvement in the matter.

Tony Rodham's Role in the Case of Fernando Fuentes Coba

- *Tony Rodham offered to help Vivian Mannerud obtain a pardon for her father, Fernando Fuentes Coba, in exchange for \$50,000.* When Rodham learned in late 2000 that Mannerud was seeking a pardon for her elderly father, he met with Mannerud and told her that he could help obtain the pardon if she paid him a \$50,000 consulting fee. Rodham told Mannerud that he had successfully obtained pardons before and showed her the Gregorys' pardon petition to support his claim.
- *Rodham attempted to convince Mannerud to hire him by making a number of false representations to her.* Rodham told Mannerud that he was close personal friends with the Pardon Attorney, Roger Adams. Rodham also told Mannerud that he would use the \$50,000 to hire a law firm to handle her case, and that Roger Adams' wife worked at the law firm, which would help her case be treated favorably. All of these representations were

completely false and were apparently made to mislead Mannerud as to the purpose of the payment to Rodham.

- *Mannerud rejected Rodham's offer.* Mannerud was concerned that Rodham could not guarantee that he could obtain a pardon in exchange for the \$50,000. She was also concerned about becoming embroiled in a scandal. Therefore, she rejected Rodham's offer.
- *After Mannerud rejected Rodham's offer, an associate of Rodham came back to Mannerud with another offer.* According to Mannerud, a month after she rejected Tony Rodham's proposal, Marilyn Parker, a mutual friend of Rodham's and Mannerud's who attended the initial meeting between them, came back to Mannerud and told her that Rodham now wanted only \$30,000 to help her obtain a pardon for her father. Mannerud was still concerned about the nature of Rodham's proposal and rejected it.
- *The actions taken by Rodham and Parker may have been illegal.* It appears that Rodham, and maybe Parker, tried to defraud Mannerud. While this effort was unsuccessful, it may have constituted criminal conduct. The Committee recommends that the Justice Department investigate these allegations.

INTRODUCTION

Like his brother, Hugh Rodham, and his brother-in-law, Roger Clinton, Tony Rodham tried to sell his access to the White House. The Committee has investigated at least two instances in which Tony Rodham was involved in discussions regarding lobbying the White House for presidential pardons. In one case, dealing with Edgar and Vonna Jo Gregory, Tony Rodham was successful and obtained pardons on March 15, 2000. Rodham's efforts on behalf of the Gregorys are troubling given several facts: (1) the Gregorys do not appear to be suitable candidates for presidential pardons; (2) Tony Rodham used his access to the President to lobby for the pardons; and (3) Tony Rodham had an extremely lucrative financial relationship with the Gregorys in which he apparently did very little work other than lobby for the presidential pardons.

In the other case, it appears that Tony Rodham attempted to convince Vivian Mannerud, a prominent Democratic donor who was seeking a pardon for her father, that she should hire him to help obtain the pardon. In the course of attempting to convince Mannerud to hire him, it appears that Rodham seriously misled Mannerud about his influence with the Justice Department. Rodham was seeking as much as \$50,000 for his work on this matter. While Mannerud did not accept Rodham's offer, Rodham's efforts to obtain money from Mannerud might have been criminal.

Although the investigation of Tony Rodham's involvement in clemency proceedings produced important new evidence, the investigation was hampered by Tony Rodham's refusal to cooperate fully with the Committee. Though Rodham produced documents in response to a Committee subpoena, he refused to be interviewed by Committee staff. Rodham's refusal to answer questions regarding his involvement in the Gregory and Fuentes matters limited the ability of the Committee to reach definitive conclusions about certain aspects of those cases.

Given Rodham's position that he did nothing improper, it is unclear why he did not want to answer questions from the Committee regarding his actions.

I. EDGAR AND VONNA JO GREGORY

A. Background

Edgar Allen Gregory, Jr., and his wife, Vonna Jo, live outside Nashville and own United Shows of America, a carnival company which puts on the Florida State Fair and more than 30 other carnivals a year.¹ The Gregorys have felony convictions dating from 1986 relating to their ownership of several banks in the 1970s. From November 1975 to April 1977, the Gregorys owned controlling interests in five Alabama banks.² The Gregorys' banking practices came under fire from regulators, who accused the Gregorys of making unsound loans to other companies they owned and to various associates.³ Alabama's banking superintendent closed one of the Gregorys' banks in March 1978.⁴ In a separate matter in January 1978, regulators seized another of the Gregorys' banks, the First Bank of Macon County in Notasulga, Alabama, citing "unsafe and unsound banking practices."⁵

In 1982, the Gregorys were indicted on charges that they stole \$800,000 in connection with their banking activities in the 1970s, sending the bank into bankruptcy.⁶ Subsequently, they were convicted of conspiring to misapply bank funds, making false statements to banks, misapplication of bank funds, and wire fraud.⁷ At that time, Edgar Gregory was sentenced to two years imprisonment and his wife to three years probation.⁸ The Eleventh Circuit Court of Appeals affirmed the conviction in part but also vacated in part.⁹ In 1986, the case was concluded when the Gregorys pleaded guilty to conspiracy and misapplication of bank funds.¹⁰ On October 1, 1986, Edgar Gregory and his wife were sentenced to 5 years and 3 years probation respectively.¹¹

¹ Kevin Sack, *Pardoned Couple Say Access Has Served Them Well*, N.Y. TIMES, Mar. 10, 2001, at A9. A news report aired by "Dateline NBC" several years ago alleged that "games of skill and chance" were rigged in United Shows fairways. At that time, Edgar Gregory said he thought such games were legal but would investigate the allegations. See Gregory Document Production 00004 – 08 ("Florida State Fair's Midway – United Shows of America, Inc.: Showmanship, Entertainment, Food, Family, Fun, Memories," 1998 Fla. State Fair Mag.) (Exhibit 1).

² See Kirk Loggins, *Local Man Denies Paying Tony Rodham to Seek Pardons*, THE TENNESSEAN, Mar. 2, 2001, at 1A.

³ *Id.*

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*; Marc Lacey and Don Van Natta, Jr., *Second Clinton In-Law Says He Helped to Obtain Pardon*, N.Y. TIMES, Mar. 1, 2001, at A1.

⁷ Tony Rodham Document Production 000029 (Petition for Pardon After Completion of Sentence for Vonna Jo Gregory, Nov. 10, 1998) (Exhibit 2); Gregory Document Production (Petition for Pardon After Completion of Sentence for Edgar Allen Gregory, Jr., Nov. 10, 1998) (Exhibit 3). See also *Florida Officials Investigating Couples State Fair Contract Extension*, ASSOCIATED PRESS STATE AND LOCAL WIRE, Mar. 8, 2001.

⁸ *Id.*

⁹ *U.S. v. Gregory*, 730 F.2d 692, 706 (11th Cir. 1984). See also *Florida Officials Investigating Couples State Fair Contract Extension*, AP STATE AND LOCAL WIRE, Mar. 8, 2001.

¹⁰ Kirk Loggins, *Local Man Denies Paying Tony Rodham to Seek Pardons*, THE TENNESSEAN, Mar. 2, 2001, at 1A.

¹¹ Tony Rodham Document Production 000029 (Petition for Pardon After Completion of Sentence for Vonna Jo Gregory, Nov. 10, 1998) (Exhibit 2); Gregory Document Production (Petition for Pardon After Completion of

B. Tony Rodham's Relationship with the Gregorys

The Gregorys had a relationship with President Clinton predating their relationship with Tony Rodham. The Gregorys made substantial contributions to Bill Clinton when he was running for President in 1992 and continued their contributions throughout President Clinton's two terms in office.¹² By making large and frequent contributions to President Clinton's campaign, the Gregorys were able to meet with President Clinton a number of times. In total, the Gregorys met with President Clinton at least ten times while he was in office.¹³

The Gregorys first met Tony Rodham while President Clinton was campaigning for his second term.¹⁴ They met Rodham at a small private fundraiser in Washington, D.C.¹⁵ Rodham apparently used such fundraisers as a venue to solicit business opportunities for his consulting firm¹⁶ and develop a network of associates from which he could generate cash not only for political purposes but also for his personal use. At the fundraiser, Rodham introduced himself to the Gregorys as he was making the rounds in the room.¹⁷ The Gregorys cannot recall how many times or in what contexts they subsequently met Rodham.¹⁸ But, in the period that followed, a substantial business relationship between the Gregorys and Rodham developed. Around August 1997, Rodham approached the Gregorys and asked them to hire him as a consultant for their carnival and music businesses.¹⁹ Rodham told the Gregorys that he could be helpful to them in

Sentence for Edgar Allen Gregory, Jr., Nov. 10, 1998) (Exhibit 3). *See also* Kirk Loggins, *Local Man Denies Paying Tony Rodham to Seek Pardons*, THE TENNESSEAN, Mar. 2, 2001, at 1A.

¹² According to the Center on Responsive Politics, United Shows, the Gregorys' company, has ranked among the top 6 entertainment industry companies contributing to federal candidates and committees in the last three two-year campaign cycles. According to campaign finance disclosure records, United Shows contributed \$50,000 to the DCCC in 2000, \$25,000 to the DNC in 1998, and \$10,000 to the Democratic Senatorial Campaign Committee in 1998. According to financial disclosure records, the Gregorys also contributed a total of \$4,500 to Senator Hillary Rodham Clinton in 1999 and 2000, \$11,000 to the New York Senate 2000 Committee, \$1,000 to President Clinton in 1995, \$4,000 to Vice President Gore, \$8,000 to the Tennessee Democratic Party, and \$5,000 to the Democratic National Committee in 1992. During 1999 and 2000, the Gregorys, their children, and their company and its employees reportedly contributed a total of \$294,000. Although the Gregorys contributed to Republican political interests during that period, eighty-nine percent of the Gregorys' contributions in that interim reportedly went to Democrats.

¹³ Telephone Interview with Edgar and Vonna Jo Gregory (Apr. 2, 2001). *See also* Gregory Document Production (Invitation to birthday party for Hillary Rodham Clinton, Oct. 27, 1997) (Exhibit 4); Gregory Document Production (Facsimile driving instructions from Daniela Castro-Quijada, Tony Rodham & Associates, to Edgar and Vonna Jo Gregory to birthday party for Hillary Rodham Clinton (Oct. 24, 1997)) (Exhibit 5). The Gregorys declined that invitation. *See* Letter from Deborah L. McGee, Secretary to Howard Vine, Greenberg Traurig, to David Kass, Deputy Chief Counsel, Comm. on Govt. Reform (June 7, 2001) (within Appendix I).

¹⁴ Telephone Interview with Edgar and Vonna Jo Gregory (Apr. 2, 2001).

¹⁵ *Id.*

¹⁶ In a televised interview, Rodham described himself as a "general consultant" and someone "who solves problems for people." Interview by Larry King, CNN, with Tony Rodham (Mar. 3, 2001) ("I just bring different peoples together. I help them negotiate deals.").

¹⁷ Telephone Interview with Edgar and Vonna Jo Gregory (Apr. 2, 2001). *See* Kevin Sack, *Pardoned Couple Say Access Has Served Them Well*, N.Y. TIMES, Mar. 10, 2001, at A9.

¹⁸ Telephone Interview with Edgar and Vonna Jo Gregory (Apr. 2, 2001).

¹⁹ *Id.*

securing contracts or other opportunities for their businesses.²⁰ Rodham also suggested that he had contacts in the real estate and music businesses.²¹

In August 1997, Rodham provided the Gregorys with a proposed consulting services agreement.²² Under Rodham's proposal, he would be retained to provide "general consulting services" to United Shows of America.²³ Rodham proposed that he be paid a retainer of \$200,000 in addition to \$2,500 per month for his labors.²⁴ The Gregorys substantially revised Rodham's proposed agreement before signing it in June 1998. The main change made by the Gregorys was eliminating the \$200,000 retainer. With their changes, Rodham received \$2,500 per month from the Gregorys as well as a \$25,000 "signing bonus."²⁵ In addition, the Gregorys agreed to pay at their discretion additional bonuses to Rodham for specific services provided by Rodham.²⁶ Rodham also received health benefits and the use of a 1995 Chevrolet Suburban.²⁷

Over the course of his relationship with the Gregorys and United Shows, Tony Rodham received a substantial sum of money. Rodham received a total of \$62,985 in 1998,²⁸ \$85,806.27 in 1999,²⁹ \$93,978.66 in 2000,³⁰ and at least \$2,000 in 2001.³¹ In addition to the \$244,769 he received in salary from the Gregorys, Rodham also received a substantial sum in personal loans. Rodham apparently had significant expenses resulting from his divorce, and, therefore, he asked the Gregorys to loan him money for expenses ranging from lawyer's fees to school tuition for his son. The Gregorys started loaning Rodham money in early 2000.³² In total, the Gregorys made more than ten separate loans to Rodham, all of which were consolidated into one promissory note for \$72,000 payable in December 2001 at eight percent interest.³³ According to the Gregorys, Rodham said that "he was working on a deal and expected a large payment before the note [was] due."³⁴ In 2001, the Gregorys loaned Rodham an additional \$7,000.³⁵ Despite that the loan was due in December 2001, there is no evidence that Rodham has repaid this loan, and

²⁰ *Id.* This paragraph was added by the Gregorys to the draft Rodham originally submitted to them.

²¹ *Id.*; Gregory Document Production (Consulting Services Agreement between Tony Rodham & Associates and Anthony D. Rodham and United Shows of America, *et al.* (June 6, 1998)) (Exhibit 6).

²² Tony Rodham Document Production (Draft of Consulting Services Agreement between Tony Rodham & Associates and United Shows of America (Aug. 1, 1997)) (Exhibit 7).

²³ *Id.*

²⁴ *Id.*

²⁵ Gregory Document Production (Consulting Services Agreement between Tony Rodham & Associates and Anthony D. Rodham and United Shows of America, *et al.* (June 6, 1998)) (Exhibit 6).

²⁶ *Id.*

²⁷ *Id.* See also Letter from Deborah L. McGee, Secretary to Howard Vine, Greenberg Traurig, to David Kass, Deputy Chief Counsel, Comm. on Govt. Reform (June 7, 2001); Gregory Document Production (Certificate of Vehicle Registration Renewal, Dec. 5, 2000) (Exhibit 8); Gregory Document Production (Vehicle inspection report, Dec. 5, 2000) (Exhibit 9); Gregory Document Production (Insurance Enrollment Form submitted by Tony Rodham for life and health insurance to be provided by United Shows of America, Mar. 29, 1999) (Exhibit 10).

²⁸ Gregory Document Production (1998 IRS 1099 for Tony Rodham by United Shows of America) (Exhibit 11).

²⁹ Gregory Document Production (1999 IRS 1099 for Tony Rodham by United Shows of America) (Exhibit 12).

³⁰ Gregory Document Production (2000 IRS 1099 for Tony Rodham by United Shows of America) (Exhibit 13).

³¹ Telephone Interview with Edgar and Vonna Jo Gregory (Apr. 2, 2001).

³² *Id.*

³³ Tony Rodham Document Production 000003-04 (Promissory Note from Tony Rodham to United Shows of America (Dec. 12, 2000)) (Exhibit 14).

³⁴ Telephone Interview with Edgar and Vonna Jo Gregory (Apr. 2, 2001).

³⁵ *Id.*

the Gregorys' attorney informed Committee staff that he believes that Rodham has not repaid the loan.

From 1998 to 2001, Tony Rodham received a total of \$323,769 in salary and loans from the Gregorys. A central question is whether he was paid by the Gregorys to help obtain their pardon or whether Rodham was paid for legitimate business services.

The Gregorys have referred to several efforts Rodham made to obtain business for them and their company, United Shows. For example, Edgar Gregory indicated that Rodham had contacts with officials in the United Arab Emirates as part of an unsuccessful effort to bring an "American-style" carnival to Dubai.³⁶ With the input of his sister, First Lady Hillary Rodham Clinton, Rodham did help the Gregorys obtain a contract to put on an "old style" carnival at the White House in 1998 and 2000.³⁷ Rodham also obtained information from the State Department for the Gregorys about doing business overseas and reportedly did some unspecified "public relations" for the Gregorys.³⁸ In an interesting twist, the Gregorys also indicated that Rodham's work for them also included bringing them investment possibilities.³⁹ The Gregorys said that Rodham asked them to invest in an overseas telecommunications project and a \$118 million hazelnut scheme conceived by Tony and Hugh Rodham.⁴⁰ In essence, the Gregorys make the

³⁶ Letter from Edgar and Vonna Jo Gregory to the Honorable Dan Burton, Chairman, and David Kass, Deputy Chief Counsel, Comm. on Govt. Reform (June 12, 2001) (within Appendix I). *See also* Telephone Interview with Edgar and Vonna Jo Gregory (Apr. 2, 2001); Kevin Sack, *Pardoned Couple Say Access Has Served Them Well*, N.Y. TIMES, Mar. 10, 2001, at A9.

³⁷ Telephone Interview with Edgar and Vonna Jo Gregory (Apr. 2, 2001). According to the Gregorys, Tony Rodham told them that Hillary Rodham Clinton asked him to contact them about having an "old-time" carnival at the White House. *Id.*

³⁸ *Id.*

³⁹ Kevin Sack, *Pardoned Couple Say Access Has Served Them Well*, N.Y. TIMES, Mar. 10, 2001, at A9.

⁴⁰ Letter from Edgar and Vonna Jo Gregory to the Honorable Dan Burton, Chairman, and David Kass, Deputy Chief Counsel, Comm. on Govt. Reform (June 12, 2001) (within Appendix I). *See also* Telephone Interview with Edgar and Vonna Jo Gregory (Apr. 2, 2001); Kevin Sack, *Pardoned Couple Say Access Has Served Them Well*, N.Y. TIMES, Mar. 10, 2001, at A9. The latter deal involved growing and exporting hazelnuts from the former Soviet Republic of Georgia. Letter from Edgar and Vonna Jo Gregory to the Honorable Dan Burton, Chairman, and David Kass, Deputy Chief Counsel, Comm. on Govt. Reform (June 12, 2001) (within Appendix I). *See also* Telephone Interview with Edgar and Vonna Jo Gregory (Apr. 2, 2001); Kevin Sack, *Pardoned Couple Say Access Has Served Them Well*, N.Y. TIMES, Mar. 10, 2001, at A9; John F. Harris, *Hazelnut Flap Is Building; White House Disavows Clinton In-Law's Foreign Dealings*, WASH. POST, Jan. 1, 2000, at A6; Viveca Novak and Jay Branegan, *Are Hillary's Brothers Driving Off Course — Hugh and Tony Rodham Are Bill Clinton's In-laws, a Connection That's Brought Them Pain and Gain*, TIME, Nov. 1, 1999, at 46. In that deal, the Rodhams entered into a partnership with the political rival of President Eduard A. Shevardnadze whose government, then only tenuously in power, enjoyed the support of the Clinton Administration. *See* Sack, *supra* (and other cited authority). After the State Department complained that the deal was causing diplomatic tension, the deal was abandoned. *Id.* Rodham's other international business ventures were equally unimpressive. For example, in 1998, Rodham and Stephen Graham, a business partner, met with Prime Minister Hun Sen of Cambodia in that country in search of new business opportunities. Lisa Getter, *Family Ties Put Rodham Brothers In Spotlight*, L.A. TIMES, Mar. 4, 2001, at A1; Robin McDowell, *Brother of U.S. First Lady Meets Cambodia Strongman on Business Trip*, ASSOCIATED PRESS, July 14, 1998. As with Rodham's initiative in the Republic of Georgia, the State Department, which had difficulty with Cambodia's human rights record, expressed concern about Rodham's dealings in that country. *See* Getter, *supra* (and other cited authority). Rodham was equally oblivious to the policy implications of his "business trips" when he went to Taiwan and met with Taiwanese Vice President Annette Lu. *See* Getter, *supra*; Deborah Kuo, *ROC Vice President Meets US First Lady's Brothers*, CENTRAL NEWS AGENCY (Taipei), June 23, 2000. Taiwanese government officials who attended the meeting "considered [the meeting] very hush-hush." *See* Getter, *supra*. According to one such official,

claim that they paid Rodham to ask them to invest in other schemes in which he was involved. There is no evidence that Tony Rodham's investment advice was in such demand that the Gregorys had to pay to be solicited by Rodham.

Critically, the Gregorys did not provide the Committee with a single document reflecting work performed for them by Tony Rodham. Given the fact that the Gregorys were subpoenaed to provide the Committee with "[a]ll records reflecting work performed for you or your company by Tony Rodham," such records should have been produced to the Committee if they existed. Therefore, it is safe to conclude that the Gregorys do not have a single document reflecting substantive work performed for them by Tony Rodham despite the fact that they paid him \$244,769 in salaries and loaned him another \$79,000. Such a lack of documentation supports the conclusion that Tony Rodham performed little or no substantive valuable work for the Gregorys apart from the failed effort to stage a carnival in Dubai and the effort to stage carnivals at the White House. The Gregorys attempted to explain the lack of documentation in a letter to Chairman Burton:

[We] certainly do not deny he has either sent or brought to us a great deal of information over the years, of which a lot of Tony's ideas were over the telephone and not in writing, that he thought we may be interested in investing in, as a management partner, and/or that he thought we might be interested in taking a financial position in.⁴¹

However, since the Gregorys did not produce to the Committee any documentation of the work performed for them by Rodham, it is possible that the large sum of money paid to Tony Rodham by the Gregorys was compensation for Rodham's efforts to obtain pardons for the Gregorys.

C. Tony Rodham's Efforts to Help the Gregorys Obtain Pardons

In 1998, the Gregorys became interested in seeking presidential pardons, primarily because their convictions undermined their ability to obtain carnival contracts.⁴² In cases where bid applications specifically requested criminal history, the Gregorys were sometimes barred from bidding for contract business.⁴³ In some cases, according to the Gregorys, their competitors sent fair officials information regarding their criminal history.⁴⁴ One of the largest problems faced by the Gregorys during this time period related to their role as the primary contractor for the Florida State Fair. The Gregorys took over as primary contractor for the Fair in 1998 and soon found that their criminal convictions were posing a problem for Florida state officials.

"Nobody wanted to talk about [the meeting] because [Rodham's] brother-in-law was the president — because if China knew about the trip, they might raise issues." *Id.* Not surprisingly, as was the case with Rodham's other attempts to develop international business opportunities, no deal emerged from Rodham's trip to Taiwan. *Id.*

⁴¹ Letter from Edgar and Vonna Jo Gregory to the Honorable Dan Burton, Chairman, Comm. on Govt. Reform (June 12, 2001) (within Appendix I).

⁴² Telephone Interview with Edgar and Vonna Jo Gregory (Apr. 2, 2001).

⁴³ Telephone Interview with Edgar and Vonna Jo Gregory (Apr. 2, 2001); Marc Lacey and Don Van Natta, Jr., *Second Clinton In-Law Says He Helped to Obtain Pardon*, N.Y. TIMES, Mar. 1, 2001, at A1; Kevin Sack, *Pardoned Couple Say Access Has Served Them Well*, N.Y. TIMES, Mar. 10, 2001, at A9; Kirk Loggins, *Local Man Denies Paying Tony Rodham to Seek Pardons*, THE TENNESSEAN, Mar. 2, 2001, at 1A.

⁴⁴ Telephone Interview with Edgar and Vonna Jo Gregory (Apr. 2, 2001).

Faced with the possible loss of significant business relating to state fairs, the Gregorys decided to file for pardons. They consulted with their son, David Gregory, a lawyer, as well as Greenberg Traurig, a prominent Florida law firm.⁴⁵ The Gregorys prepared the relevant paperwork and filed their pardon petition with the Justice Department on November 14, 1998.⁴⁶ It appears that, on that same day, the Gregorys also sent copies of their pardon petitions directly to the White House and requested that President Clinton “[p]lease personally review the application and exhibits enclosed herein.”⁴⁷

After the pardon petition was filed, the Gregorys and their Greenberg Traurig lawyers remained in contact with the Justice Department. Mark Schnapp, one of the Gregorys’ lawyers at Greenberg Traurig, met with Pardon Attorney Roger Adams and Helen Bollwerk, another staff attorney in the Pardon Attorney’s office, to discuss the petition.⁴⁸ Specifically, Schnapp informed them that the Gregorys’ convictions were adversely impacting their business in relation to the Florida State Fair.⁴⁹ He also told them that the Gregorys needed the pardons by February 2000 if they were to help with the contracting process in Florida.⁵⁰ Justice Department staff asked the Gregorys or their representatives on several occasions for additional information with respect to the pardon petitions. Throughout their contacts with the Justice Department, the Gregorys and their attorneys believed that the Justice Department was “understanding,” and they never developed a sense that the Department viewed their petition negatively.

Nevertheless, by late 1999 the Gregorys had not received their pardons, and they were growing impatient. The Gregorys approached Tony Rodham for his assistance with the pardon at a party in late 1999 or early 2000.⁵¹ At this point, Rodham had been on the Gregorys’ payroll for a year and a half. Edgar Gregory described his request to Tony Rodham as follows: “Tony, we’ve applied for a pardon, and if you can help us in any way, we’d really appreciate it.”⁵² Gregory recalls that Rodham initially replied, “I don’t really get involved in that” and suggested that pardons were handled at the Justice Department.⁵³ According to Edgar Gregory, Rodham gave them the impression that he could not help much with their pardon petition but that “if he

⁴⁵ *Id.*

⁴⁶ *Id.* See also Gregory Document Production 000144 (Letter from Vonna Jo Gregory to Roger Adams, Pardon Attorney, Department of Justice (Nov. 16, 1998)) (Exhibit 15); Marc Lacey and Don Van Natta, Jr., *Second Clinton In-Law Says He Helped to Obtain Pardon*, N.Y. TIMES, Mar. 1, 2001, at A1.

⁴⁷ Tony Rodham Document Production 000028 (Letter from Vonna Jo Gregory to President William J. Clinton (Nov. 14, 1998)) (Exhibit 16).

⁴⁸ Telephone Interview with Edgar and Vonna Jo Gregory (Apr. 2, 2001).

⁴⁹ *Id.* See also Gregory Document Production (Letter from Bob Crawford, Commissioner, Florida Department of Agriculture and Consumer Services to Roger Adams, Pardon Attorney, Department of Justice (Jan. 28, 2000)) (Exhibit 17) (urging Pardon Attorney to consider Gregorys’ clemency application expeditiously because of impending contract negotiations regarding Florida State Fair).

⁵⁰ *Id.*

⁵¹ *Id.* See also Marc Lacey and Don Van Natta, Jr., *Second Clinton In-Law Says He Helped to Obtain Pardon*, N.Y. TIMES, Mar. 1, 2001, at A1.

⁵² Telephone Interview with Edgar and Vonna Jo Gregory (Apr. 2, 2001). See also Marc Lacey and Don Van Natta, Jr., *Second Clinton In-Law Says He Helped to Obtain Pardon*, N.Y. TIMES, Mar. 1, 2001, at A1. Vonna Jo Gregory believes that Rodham first became aware of their convictions in connection with their bid for the Florida State Fair, but it was in December 1999 that the Gregorys expressed to Rodham disappointment about not having been pardoned and asked him for help. *Id.*

⁵³ Marc Lacey and Don Van Natta, Jr., *Second Clinton In-Law Says He Helped to Obtain Pardon*, N.Y. TIMES, Mar. 1, 2001, at A1.

could do anything, he would.”⁵⁴ Edgar Gregory stated that he saw Tony Rodham occasionally between late 1999 and March 2000 when he and Vonna Jo Gregory received their pardons. Edgar Gregory occasionally raised the pardon effort with Rodham, even once telling him that the Justice Department was “putting them through the wringer” with respect to their pardon applications.⁵⁵ But Rodham said little to encourage them and did not tell them that he had raised the pardons with his brother-in-law or sister.⁵⁶

In their interview with Committee staff, the Gregorys and their attorneys attempted to minimize the role of Tony Rodham in obtaining the pardons. They discounted the importance of Rodham’s role in obtaining pardons. They claimed that the Justice Department had the predominant role in processing the Gregorys’ petition, and since Tony Rodham did not have any influence at the Justice Department, Rodham was not “necessary” to the process.⁵⁷ However, common sense and the evidence in this case suggest that the Gregorys’ basic story – that they believed that Rodham was not important to the pardon process – is not true. Rather, Tony Rodham had a significant role in obtaining the pardons, and the Gregorys attached some importance to Rodham’s efforts.

First, the suggestion by the Gregorys and their lawyers that Rodham’s participation was not significant because he did not have influence at the Justice Department is absurd. Obviously, when seeking Presidential pardons, it is far more important to have influence and access to the President of the United States than the Pardon Attorney or any other Justice Department staffer. Tony Rodham had this access and used it to lobby for the Gregorys’ pardons.

Second, Edgar Gregory did more than merely mention his pardon effort to Tony Rodham in an off-hand manner. Gregory provided Rodham with a copy of his pardon petition as well. When Committee staff initially asked Gregory why he provided Rodham with a copy of the petition, he was initially unable to provide an explanation. Then, he suggested that he gave Rodham a copy of the petition just so that Rodham would not be “blindsided” by the fact that they had applied for a pardon.⁵⁸ Gregory vehemently denied that he had given Rodham a copy of the petition so that Rodham could hand-carry it to the White House or otherwise influence the pardon process.⁵⁹ If Gregory did provide Rodham with a copy of the pardon petition so that he could hand-carry it to the President or so that Rodham could make a more impressive pitch to the President, it would undermine the Gregorys’ claim that they did not place any significance on Rodham’s efforts.

Despite the Gregorys’ protestations, it appears that Rodham did have a significant role in the pardon process. Rodham would not agree to an interview with Committee staff regarding his role in the Gregory pardons. Nevertheless, he did describe some of his activities to the press. According to these reports, Rodham asked President Clinton to pardon the Gregorys.⁶⁰

⁵⁴ Telephone Interview with Edgar and Vonna Jo Gregory (Apr. 2, 2001).

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ *Id.*

⁵⁸ *Id.*

⁵⁹ *Id.*

⁶⁰ Marc Lacey and Don Van Natta, Jr., *Second Clinton In-Law Says He Helped to Obtain Pardon*, N.Y. TIMES, Mar. 1, 2001, at A1.

Specifically, he stated, “I didn’t push. I told the President about Ed Gregory and that he had applied for a pardon. He’s what the pardon process is all about.”⁶¹ Rodham has recalled publicly that he told President Clinton that the Gregorys’ pardon petition had been filed through the Justice Department and argued to the President that pardons for the couple “made good sense.”⁶² He told the President that “[Edgar Gregory] is repentant for what he did” and “[the offenses for which the Gregorys were convicted were] white-collar crime[s] involving banking irregularities. He’s paid his taxes. He’s run a respectful business for 40 years. He’s a good guy.”⁶³ It also appears that Rodham claimed that the Gregorys were deeply involved in charitable activities in Tennessee and throughout the country.⁶⁴ Rodham also called Deputy White House Counsel Bruce Lindsey about the Gregory pardons. Lindsey stated that Rodham’s call to him was “mostly concerned about the fact that the application had been pending over in the Justice Department[,] and [he] asked me whether I could try to move it along.”⁶⁵ Either at that point or subsequently, Lindsey became aware that Rodham had spoken to the President.⁶⁶

D. Deliberations by the Administration

According to press reports, the Justice Department opposed the Gregory pardons because the Gregorys did not “accept the criminality of their actions.”⁶⁷ The United States Attorney who prosecuted the case as well as the judge responsible for sentencing the Gregorys also opposed the pardons.⁶⁸ According to federal prosecutors, the Gregorys’ activities as owners of several small Alabama banks were blatantly fraudulent; such activities included arranging unsecured loans to themselves, their friends, and other companies they owned.⁶⁹ Ginny S. Grande, the assistant U.S. Attorney who prosecuted the Gregorys, noted, “[The Gregorys] drained the banks that they were majority shareholders in and just ran them into the ground for this interconnecting web of companies they owned. They ran those banks with an iron fist.”⁷⁰ The question then is why were these recommendations ignored.

There is evidence indicating that the President, not White House staff, was the driving force behind the Gregory pardons. Associate White House Counsel Meredith Cabe, the primary

⁶¹ *Id.*

⁶² *Id.*

⁶³ *Id.*

⁶⁴ See Interview by Larry King, CNN, with Tony Rodham (Mar. 3, 2001).

⁶⁵ “The Controversial Pardon of International Fugitive Marc Rich,” *Hearings Before the Comm. on Govt. Reform*, 107th Cong. 254 (Mar. 1, 2001).

⁶⁶ *Id.* Howard Vine, one of the Greenberg Traurig attorneys representing the Gregorys, also called Deputy White House Counsel Bruce Lindsey and White House Counsel Beth Nolan. Vine describes those calls as “largely procedural.”

⁶⁷ Marc Lacey and Don Van Natta, Jr., *Second Clinton In-Law Says He Helped to Obtain Pardon*, N.Y. TIMES, Mar. 1, 2001, at A1. See also Interview with Meredith Cabe, Associate Counsel to the President, the White House (Mar. 16, 2001). However, due to the Bush Administration’s refusal to produce to the Committee records relating to the consideration of pardon petitions by the Justice Department and Clinton White House, the Committee has not obtained any records from the Justice Department regarding the consideration of the Gregory pardon. Therefore, the Committee does not know the specific reasons the Justice Department opposed the Gregorys’ petition.

⁶⁸ *Id.*

⁶⁹ Kevin Sack, *Pardoned Couple Say Access Has Served Them Well*, N.Y. TIMES, Mar. 10, 2001, at A9.

⁷⁰ *Id.* Federal prosecutors have noted that the Gregorys also used the Wilcox County Bank in Camden, Alabama, to buy goods from their other companies. For example, that bank ordered 10,000 job application forms from a company owned by the Gregorys for another bank with 20 employees in a town of 2,000 people.

White House lawyer responsible for processing clemency petitions, recalls that Bruce Lindsey and Beth Nolan told her that someone had raised the Gregory case with the President because the President had been asking them about the case.⁷¹ Former Clinton aides have publicly conceded that President Clinton expressed a strong desire to Justice Department officials to have the Gregorys pardoned.⁷² In speaking to Deputy White House Counsel, Bruce Lindsey, President Clinton “indicated . . . that he understood that the Gregorys were unable to do business in certain states, and that competitors of the Gregorys were raising their conviction some 17, 18 years ago as a basis as to why various states shouldn’t do business with them.”⁷³ According to Lindsey, President Clinton “thought that was not fair.”⁷⁴ In testimony before the Committee, Lindsey elaborated as follows:

The President’s belief on pardons is that if a person makes a mistake, does something illegal, wrong, if they have paid the price for that, if they have gone to jail or they go on probation and then they live a good life from that point on forward, that they should not be denied the restoration of their rights because of that. He certainly would believe that a person 17 years afterwards shouldn’t have a conviction be used to keep them from making a living. And, therefore, believed that if, in fact, they had lived a good life, if they had not been in additional trouble from that point[.]⁷⁵

Because Lindsey believed that the Gregorys “were being financially hurt because of a conviction 17, 18 years ago and that they had done nothing subsequent to be in trouble with the law, that they were deserving of a pardon,” he recommended that President Clinton consider the petition.⁷⁶ Meredith Cabe did not find the merits of the Gregorys’ petition particularly compelling.⁷⁷ For her part, White House Counsel Beth Nolan does not recall her position on the Gregory case. Cabe recalls that Nolan was not opposed to the pardons and recommended that the President review the case.⁷⁸ On March 15, 2000, President Clinton pardoned the Gregorys of their convictions.⁷⁹

⁷¹ Interview with Meredith Cabe, Associate Counsel to the President, the White House (Mar. 16, 2001).

⁷² Marc Lacey and Don Van Natta, Jr., *Second Clinton In-Law Says He Helped to Obtain Pardon*, N.Y. TIMES, Mar. 1, 2001, at A1.

⁷³ “The Controversial Pardon of International Fugitive Marc Rich,” *Hearings Before the Comm. on Govt. Reform*, 107th Cong. 255 (Mar. 1, 2001).

⁷⁴ *Id.*

⁷⁵ *Id.*

⁷⁶ *Id.*; Interview with Meredith Cabe, Associate Counsel to the President, the White House (Mar. 16, 2001). To the extent that the Gregorys believed that a presidential pardon would require that they no longer disclose their convictions when applying for state carnival contracts, it appears that they were wrong. According to Pardon Attorney Roger Adams, a pardon “does not erase or expunge the record of conviction and does not indicate innocence.” Letter from Roger Adams, Pardon Attorney, Department of Justice, to Mark Schnapp, Counsel to Edgar and Vonna Jo Gregory, Greenberg Traurig (Mar. 15, 2000) (Exhibit 18). As Adams indicated to the Gregorys, “On any application or other document which requires the information, a pardon recipient should disclose the fact of his or her conviction.” *Id.*

⁷⁷ See Interview with Meredith Cabe, Associate Counsel to the President, the White House (Mar. 16, 2001).

⁷⁸ *Id.*

⁷⁹ See Gregory Document Production (Letter from Roger Adams, Pardon Attorney, Department of Justice, to Mark P. Schnapp, Counsel to Edgar and Vonna Jo Gregory, Greenberg Traurig (Mar. 15, 2001)) (Exhibit 18) (describing President Clinton’s grant of clemency); Gregory Document Production (Warrant of Executive Grant of Clemency for Vonna Jo Gregory, Mar. 15, 2000, and Acknowledgement Form, Mar. 17, 2000) (Exhibit 19); Gregory

E. Conclusion

There are several troubling facts regarding Tony Rodham's lobbying efforts on behalf of the Gregorys:

- Tony Rodham was provided with \$323,769 by the Gregorys for work for which there is little documentary evidence.
- Rodham lobbied his brother-in-law, President Clinton, and Deputy White House Counsel Bruce Lindsey in support of the Gregorys' pardons.
- President Clinton granted the Gregorys' pardons despite the fact that the Justice Department, relevant prosecutors, and the sentencing judge all objected to the pardon. The Gregorys' only qualification for the pardons was that they had a lucrative business which was being adversely impacted by their criminal record and that they had hired the President's brother-in-law.
- A full understanding of these facts has been further complicated by the refusal of Tony Rodham to cooperate with the Committee and the refusal of the Bush Administration to provide the Committee with all records relating to the consideration of the Gregory pardons.

The Committee is able to conclude that Rodham was paid a significant amount of money by the Gregorys and apparently did little for them other than lobby for their pardons. However, there is not sufficient evidence to conclude definitively that the Gregorys hired Rodham for the express purpose of using him to lobby for Presidential pardons. However, the time period during which the Gregorys were seeking presidential pardons and during which they were paying Rodham overlapped substantially; therefore, it is probable that Rodham was paid for his efforts to obtain pardons for the Gregorys. This conclusion is also bolstered by Tony Rodham's subsequent attempt to use his success in the Gregorys' case to obtain payments to help others obtain pardons, described below.

It is clear that Rodham had a significant role in obtaining pardons for the Gregorys. Reportedly, those individuals who were familiar with the Gregory case – the Pardon Attorney, federal prosecutors and the sentencing judge – did not believe that they should be pardoned. However, those people who were lobbied by Tony Rodham – President Clinton and Bruce Lindsey – did believe that they should be pardoned. As in the case of many other questionable grants of clemency issued by President Clinton, the impetus for the Gregory pardons came from the President himself. It appears that the President was interested in the Gregory pardons solely because of his contacts with Tony Rodham. It is fair to conclude that, but for Tony Rodham's lobbying efforts, the Gregory pardons would not have been granted.

Document Production (Warrant of Executive Grant of Clemency for Edgar Allen Gregory, Mar. 15, 2000, and Acknowledgement Form, Mar. 17, 2000) (Exhibit 20). *See also* Gregory Document Production (Letter from Edgar Allen and Vonna Jo Gregory to President William J. Clinton (Mar. 16, 2000)) (Exhibit 21) (thanking President for grant of clemency).

One of the factors supporting the conclusion that Rodham was indispensable to the Gregorys' pardon effort is the Gregorys' unsuitability for presidential pardons. The Gregorys committed a serious crime, defrauding banks they owned out of substantial funds for their personal benefit. Tony Rodham himself was unable to provide much of a justification for the Gregory pardons:

Tony Rodham: The Gregorys are the kind of people that the pardon system is made for.

Larry King: Because?

Tony Rodham: They are people – well, they're tax-paying citizens. They've been involved in different charitable organizations. They do a tremendous amount of help in their community in Nashville and throughout the rest of the country. Florida, where they do the Florida State Fair every year, they do a tremendous amount of money every year. They do a tremendous amount of money that has gone into the Florida state government's coffers.⁸⁰

It appears that the primary motivation for the pardons was the fact that the Gregorys were finding that their criminal histories were an impediment to receiving state contracts. Of course, such difficulties are the natural and fair result of criminal convictions, not by themselves a justification for pardons.

However, there are also unanswered questions about the Gregory case. The most significant question is whether the President or First Lady knew of the financial relationship between Tony Rodham and the Gregorys when Rodham was lobbying the President for the pardons. In his testimony before the Committee, Deputy White House Counsel Bruce Lindsey stated that this financial relationship "was unknown to me until I read it in paper [this] morning [of the hearing]."⁸¹ Lindsey testified that he did not know if the President knew of Rodham's financial relationship with the Gregorys.⁸² In a statement to the press, Hillary Clinton stated that "[t]hese are people he has known for some time . . . he has a personal relationship with them. He was not paid. I think there's a distinction between someone whom you've known for a number of years . . . and taking money on behalf of people he didn't know and had no personal relationship with."⁸³ At the time Senator Clinton made her statement about the Gregory case, it had already been publicly disclosed that Tony Rodham was working as a paid consultant. Therefore, her statement that Tony Rodham "was not paid" is not accurate. However, her statement does not make it clear whether she knew of Tony Rodham's lucrative financial relationship with the Gregorys at the time he was lobbying the White House for the ir pardons.

⁸⁰ Interview by Larry King, CNN, with Tony Rodham (Mar. 3, 2001).

⁸¹ "The Controversial Pardon of International Fugitive Marc Rich," *Hearings Before the Comm. on Govt. Reform*, 107th Cong. 256 (Mar. 1, 2001).

⁸² *Id.*

⁸³ *Hillary Clinton Defends Brother Tony*, ASSOCIATED PRESS STATE AND LOCAL WIRE, Mar. 1, 2001.

If the President or First Lady did know that Tony Rodham was receiving substantial sums of money from the Gregorys at the time he was lobbying the White House for their pardons, it would cast substantial doubt on the motivations of the President for issuing the pardons. It would appear that the President was not motivated by any genuine belief in the merits of the Gregorys' case, particularly given the fact that such merits did not exist. Rather, it would appear that he was motivated by the desire to help his brother-in-law cash in. Such a case would be a quintessential conflict of interest. However, given the failure of the President to address the details of his decisionmaking in the Gregorys case and other controversial grants of clemency, the public will likely never know his true motivations.

II. FERNANDO FUENTES COBA

In the course of its investigation, the Committee discovered that Tony Rodham attempted to become involved in lobbying for a presidential pardon for another individual, Fernando Fuentes Coba. In this case, Rodham solicited a large payment from Fuentes' daughter, Vivian Mannerud, in return for the promise to lobby for Fuentes' pardon. It appears that Rodham and an associate of Rodham's made misleading statements to Mannerud in an attempt to get her to pay Rodham to work on the case. The Fuentes case combines the unsavory aspects of Rodham's work on the Gregory matter – a blatant attempt by Rodham to sell his influence – with a potentially illegal attempt to defraud Vivian Mannerud.

A. Background on Fernando Fuentes Coba

In the late 1970s, Fernando Fuentes Coba started an airline charter business called American Airways Charters, Inc. ("AAC"). AAC took advantage of changes in U.S. law permitting charter flights to Cuba and, over the next several years, built a successful business based on flights between the U.S. and Cuba.⁸⁴ After the Mariel boatlift, Fuentes, AAC, and a number of other companies and individuals were investigated for having violated U.S. law in connection with having facilitated the Mariel Boatlift. In 1982, Fuentes, seven other individuals, and four corporations were indicted for what U.S. customs officials described as a "big, gigantic conspiracy by the Cuban Government to obtain U.S. currency" in connection with the Mariel Boatlift.⁸⁵ In late 1982, Fuentes was convicted of conspiring to trade with the enemy and violating the Cuban Assets Control Act in connection with the shipment of goods to Cuba.⁸⁶ Fuentes was sentenced to a term of one-year imprisonment and a \$10,000 fine.⁸⁷ After having his appeals rejected, in 1985, Fuentes was ordered to report to prison.⁸⁸ Rather than report, Fuentes fled to Mexico where he remained a fugitive until his death.⁸⁹

⁸⁴ Tony Rodham Document Production 000020 (Attachment B to Pardon Application of Fernando Fuentes Coba) (Exhibit 24).

⁸⁵ *8 People, 4 Companies indicted in Cuba Sealift*, N.Y. TIMES, Feb. 26, 1982, at A14.

⁸⁶ Tony Rodham Document Production 000017 (Attachment A to Pardon Application of Fernando Fuentes Coba) (Exhibit 23).

⁸⁷ *Id.*

⁸⁸ *Id.*

⁸⁹ Telephone Interview with Vivian Mannerud (Aug. 28, 2001). Fuentes was sentenced to a term of one year in prison but, according to Mannerud, was "fearful for his life" because "there were drug dealers there" and he "would have been lumped in as a communist." According to Mannerud, Fuentes "decided not to go" to jail for that reason. *See also* Mark Hosenball, *Periscope*, NEWSWEEK, Mar. 11, 2002 (noting Fuentes' death).

While a fugitive, Fuentes apparently became very ill, suffering from heart disease, stroke, two aortic aneurysms, emphysema, and diabetes.⁹⁰ In 2000, Fuentes apparently decided that he wanted to return to the U.S. to receive medical treatment and be close to his family without serving his prison sentence.⁹¹ Helping Fuentes achieve this goal was his daughter, Vivian Mannerud. Mannerud, a prominent Democratic contributor who has raised or contributed hundreds of thousands of dollars, is also involved in the charter airline business and has arranged a number of high-profile flights between the U.S. and Cuba.⁹² Mannerud was herself embroiled in controversy when she solicited convicted cocaine dealer Jorge Cabrera to contribute to the DNC and arranged for Cabrera to be photographed with President Clinton. Mannerud also had \$22,000 in contributions returned by the Senate campaign of Hillary Clinton when the press reported on Mannerud's role in the Cabrera matter.⁹³

Mannerud initially attempted to resolve her father's case by contacting the U.S. Attorney's office.⁹⁴ Mannerud attempted to negotiate her father's return to the United States, claiming he could stay in a hospital in lieu of incarceration.⁹⁵ When Mannerud concluded that the U.S. Attorney's Office could not give her any guarantees, she and her attorney, Lonnie Anne Pera, prepared a pardon petition on her father's behalf.⁹⁶

B. The Pardon Attorney Refuses to Process Fuentes' Clemency Petition

Around late October 2000, Mannerud sent her father's pardon petition to the Office of the Pardon Attorney at the Department of Justice.⁹⁷ In the petition, Fuentes did not indicate any remorse for his crimes. Rather, he maintained his innocence and claimed selective prosecution and ineffective assistance of counsel.⁹⁸ Fuentes also did not express regret for having fled the

⁹⁰ Tony Rodham Document Production 000021 (Attachment C to Pardon Application of Fernando Fuentes Coba) (Exhibit 25).

⁹¹ Telephone Interview with Vivian Mannerud (Aug. 28, 2001).

⁹² For example, Mannerud was instrumental in arranging for Elian Gonzalez's Cuban grandparents to visit the United States. See Carol Rosenberg, *Longtime Air Charter Operator Set to Retire*, MIAMI HERALD, Nov. 6, 2000, at 1B. She also provided the charter for U.S. celebrities to attend the 1999 game between the Baltimore Orioles and the Cuban national team.

⁹³ See Carol Rosenberg, *Donor Gets Angry at Democrats*, MIAMI HERALD, Apr. 21, 2000, at 1B. When her money was returned by the Clinton campaign, Mannerud stated, "I think . . . they have to stop calling me for money, begging me for money, haunting me for money" and recommended that the Democratic Party return to her the "several hundred thousand dollars" she had given in the preceding years. *Id.*

⁹⁴ Telephone Interview with Vivian Mannerud (Aug. 28, 2001).

⁹⁵ *Id.*

⁹⁶ *Id.* Mannerud did so through the assistance of her attorney in Washington, Lonnie Pera, an aviation attorney. See Tony Rodham Document Production 000005 (Fernando Fuentes Coba Pardon Petition) (Exhibit 22)

⁹⁷ *Id.* In an interview with Committee staff, Mannerud could not recall exactly when she sent the petition to the Pardon Attorney's Office. She believed that she probably did so about a month before the date on a White House document which states that Fuentes "just applied" for a pardon. That document is dated November 27, 2000. Mannerud's recollection that she sent the petition late in 2000 accords with her memory that, whenever she submitted the petition, someone told her that it was "kind of late" to apply because there was not enough time for the FBI to conduct its background check.

⁹⁸ Tony Rodham Document Production 000025 (Attachment C to Pardon Application of Fernando Fuentes Coba) (Exhibit 25).

United States after his conviction. Rather, he claimed that he fled the country because he “feared that anti-Castro groups would seriously injure, maim, or kill me in prison.”⁹⁹

On November 7, 2000, Pardon Attorney Roger Adams sent a letter to Mannerud’s attorney stating that the Justice Department would not process Fuentes’ petition because he was a fugitive.¹⁰⁰ Adams explained that:

Mr. Coba is ineligible to apply for a presidential pardon. Pursuant to 28 C.F.R. § 1.2 . . . “[n]o petition for pardon should be filed until the expiration of a waiting period of at least five years after the date of the release of the petitioner from confinement” Because Mr. Coba has served none of his prison sentence, he fails to meet this most basic eligibility requirement for pardon consideration. Moreover, the Department of Justice has consistently declined to accept pardon petitions from individuals, such as Mr. Coba, who are fugitives, since the pardon process assumes the Government’s ability to implement either of the President’s possible decisions regarding a petition – that is, a denial of clemency as well as a grant of clemency. Put another way, it is not reasonable to allow a person to ask that the President grant him a pardon which, if granted, would have the effect of eliminating the term of imprisonment to which he has been sentenced, while at the same time insulating himself from having to serve the sentence if the pardon is denied.¹⁰¹

The Justice Department’s application of the foregoing policy, whereby it does not even consider pardon petitions from fugitives, stands in marked contrast to how the policy was applied in the Marc Rich and Pincus Green case. Clearly, the policy expressed by Roger Adams in the Fuentes case should have applied equally in the Marc Rich case. In the Rich case, of course, the White House considered and granted the Rich and Green pardons contrary to Justice Department policy. Moreover, the Deputy Attorney General, Eric Holder, expressed his support for the pardons despite the express contrary policy of his own Department. The fact that Fuentes’ petition was summarily rejected confirms that Jack Quinn was right in thinking that he needed to circumvent the Justice Department in order to obtain pardons for Marc Rich and Pincus Green. Fuentes’ summary rejection by the Justice Department also leads one to speculate that Fernando Fuentes Coba and Vivian Mannerud might have been more successful if they had hired Tony Rodham to lobby for the pardon.

Despite the fact that the Justice Department declined to process her father’s pardon petition, Mannerud gave the pardon petition to “a lot of people – anyone who could help make sure that the application wasn’t just put on a pile.”¹⁰² Among the people to whom Mannerud gave copies of the petition was Joe Perez, a friend of Mannerud’s in California, who, according to Mannerud, owns J. Perez & Associates, a travel services company.¹⁰³ Mannerud believed that

⁹⁹ Tony Rodham Document Production 000023 (Attachment C to Pardon Application of Fernando Fuentes Coba) (Exhibit 25).

¹⁰⁰ Telephone Interview with Vivian Mannerud (Aug. 28, 2001).

¹⁰¹ Vivian Mannerud Document Production (Letter from Roger Adams, Pardon Attorney, Department of Justice, to Lonnie Anne Pera, Counsel to Vivian Mannerud, Zuckert Scoutt & Rasenberger (Nov. 7, 2000)) (Exhibit 28).

¹⁰² Telephone Interview with Vivian Mannerud (Aug. 28, 2001).

¹⁰³ *Id.*

Perez knew “one of the Clinton brothers – probably Roger Clinton, because he is in California too.”¹⁰⁴ Ultimately, Mannerud understood that Perez was going to speak to “his contact” about her father’s pardon petition.¹⁰⁵ But, in hindsight, Mannerud does not know whether Perez did so.¹⁰⁶ Mannerud also gave a copy of the petition to a friend named Joe Velazquez who, according to Mannerud, ran a Hispanic outreach program and had worked at the Clinton White House.¹⁰⁷ Mannerud does not know what, if anything, Velazquez did in support of her father’s petition.¹⁰⁸

C. Tony Rodham’s Attempt to Become Involved in the Fuentes Clemency Effort

Tony Rodham became involved in the Fuentes matter in November 2000.¹⁰⁹ Mannerud was introduced to Rodham at the Mayflower Hotel by their mutual friend, Marilyn J. Parker.¹¹⁰ Parker, like Mannerud, was a prominent Democratic contributor. Parker also was involved in business with Tony Rodham. Rodham invested in a Florida company called Environmental Energy Fuels, which has developed a reportedly environmentally-sensitive gasoline additive.¹¹¹ Well before the meeting at the Mayflower Hotel, Parker had offered Rodham, and Rodham accepted, an opportunity to obtain shares in that company.¹¹² In August 2001, Parker pleaded guilty to five felonies in connection with \$145,000 she paid in bribes to Miami airport officials in return for \$1.5 million in no-bid work at the airport.¹¹³

According to Parker, Mannerud initially spoke to her about her father’s pardon matter during a trip in New York.¹¹⁴ During that trip, which, according to Parker, occurred around September 2000, Mannerud talked about her father’s age and deteriorating physical condition as well as his desire to return to the United States.¹¹⁵ Parker offered to write a letter in support of his petition.¹¹⁶ According to Parker, the gist of her letter was simply that she knew that Fuentes was aged and in ill health.¹¹⁷ Parker had no opinion as to why Mannerud thought that, given her limited knowledge about the matter, her support would have been meaningful.¹¹⁸ Parker initially characterized her role as being limited to drafting the letter.¹¹⁹ However, she later conceded that

¹⁰⁴ *Id.* In connection with its investigation of Roger Clinton, the Committee learned that Clinton was in business with Perez and a number of other individuals in Los Angeles who were in the business of arranging travel to Cuba.

¹⁰⁵ *Id.*

¹⁰⁶ *Id.*

¹⁰⁷ *Id.*

¹⁰⁸ *Id.* But see NARA Document Production (Draft of document entitled “Pending Clemency Matters” by Meredith Cabe, Associate Counsel to the President, the White House (Dec. 10, 2000)) (Exhibit 29) This document, which was retrieved from the work file of Deputy White House Counsel Bruce Lindsey, indicates that “Velazquez spoke to POTUS re: case.” *Id.* at 3.

¹⁰⁹ Telephone Interview with Vivian Mannerud (Aug. 28, 2001).

¹¹⁰ *Id.*

¹¹¹ Lisa Getter, *Family Ties Put Rodham Brothers In Spotlight*, L.A. TIMES, Mar. 4, 2001, at A1.

¹¹² *Id.*

¹¹³ Joseph Tanfani, *Case Could Bring More Prosecutions*, MIAMI HERALD, Aug. 4, 2001, at 20A.

¹¹⁴ Telephone Interview with Marilyn J. Parker (Dec. 18, 2001).

¹¹⁵ *Id.*

¹¹⁶ *Id.*

¹¹⁷ *Id.*

¹¹⁸ *Id.*

¹¹⁹ *Id.*

she had also arranged and participated in a meeting between Tony Rodham and Vivian Mannerud.¹²⁰

After discussing the pardon effort with Mannerud in New York, Parker decided that Tony Rodham might be able to assist Mannerud.¹²¹ Therefore, she called Rodham, and he suggested that Parker and Mannerud meet him for a drink that afternoon in the Mayflower Hotel.¹²² At the hotel, Rodham and Mannerud talked about her father's pardon petition.¹²³ According to Parker, the meeting lasted no more than an hour.¹²⁴ Mannerud and Rodham discussed why she was seeking a pardon for her father and what avenues Mannerud had pursued to date.¹²⁵ Rodham then told Mannerud that he could help her obtain the pardon for her father.¹²⁶ Rodham told Mannerud that he had previously helped two individuals obtain pardons and even brought a copy of their clemency petition with him to the meeting.¹²⁷ Rodham then told Mannerud that he would help her if she paid him.¹²⁸

Mannerud asked Rodham what exactly he would do to help get the pardon.¹²⁹ Rodham explained that "it costs money," specifically \$50,000, which would be paid to Rodham and then "go to an attorney" to work on the matter.¹³⁰ When Mannerud pressed Rodham for more details of how exactly he would help get the pardon, Rodham explained that he knew the Pardon Attorney, Roger Adams.¹³¹ He stated that Adams was from Arkansas and that he had "known Adams forever."¹³² Rodham then told Mannerud that "after the Administration, we're all out of jobs."¹³³ Mannerud understood that Rodham was referring to himself and Adams.¹³⁴ Rodham then told Mannerud he would hire a law firm to prepare her father's pardon petition and Roger Adams' wife was associated with this law firm.¹³⁵ When Mannerud asked if he could guarantee that her father would be pardoned, Rodham demurred.¹³⁶ Mannerud then told Rodham that she had had "her share of scandals" and wanted no part of Rodham's proposal.¹³⁷

Mannerud's account of the Mayflower meeting with Rodham is corroborated in large part by Marilyn Parker. Parker does not recall a number of details of the meeting and attributes her

¹²⁰ *Id.*

¹²¹ *Id.*

¹²² *Id.*

¹²³ *Id.*

¹²⁴ *Id.*

¹²⁵ Telephone Interview with Vivian Mannerud (Aug. 28, 2001).

¹²⁶ *Id.*

¹²⁷ *Id.* Neither Parker nor Mannerud was able to specifically recall the names of the individuals mentioned by Rodham, although Mannerud did remember that they were "carnival people." This reference strongly suggests that Rodham mentioned the Gregorys' case to Mannerud. The petition that Rodham showed to Mannerud was so thick that Mannerud ultimately redrafted her father's petition.

¹²⁸ *Id.*

¹²⁹ *Id.*

¹³⁰ *Id.*

¹³¹ *Id.*

¹³² *Id.*

¹³³ *Id.*

¹³⁴ *Id.*

¹³⁵ *Id.*

¹³⁶ *Id.*

¹³⁷ *Id.*

poor memory to the fact that Rodham and Mannerud did most of the talking at the meeting.¹³⁸ However, she confirms that Rodham explored with Mannerud “whether there was any way they could work together” on the pardon matter.¹³⁹ She also confirms that Rodham mentioned his previous work on a pardon matter.¹⁴⁰ Parker also confirms that Rodham mentioned he knew a person handling the pardons, a law firm that worked with DOJ on pardons, and that a wife of a Justice Department official worked at the law firm.¹⁴¹ Parker also believes that it was possible that Rodham “expressed his desire to be paid” for his work on the Fuentes matter but could not recall whether Rodham specifically sought \$50,000.¹⁴²

According to Mannerud, in December 2000, about a month after the first meeting, Marilyn Parker called her about the possibility of Rodham helping her with the effort to obtain a pardon for Fuentes.¹⁴³ Parker told Mannerud that Rodham had lowered his asking price and wanted only \$30,000.¹⁴⁴ Mannerud asked once again if there were any guarantees, to which Parker responded that there were not.¹⁴⁵ Parker asked Mannerud to consider the offer, emphasizing her father’s poor health.¹⁴⁶ Ultimately, Mannerud told Parker in strong terms that she did not want to be involved in such an arrangement with Rodham.¹⁴⁷ After that discussion, Mannerud had no further discussions about the clemency matter with either Parker or Rodham.¹⁴⁸ Mannerud continued her efforts to obtain a pardon for her father but was unsuccessful.

Parker denies Mannerud’s account of this subsequent telephone call. According to Parker, Rodham simply asked her whether she had spoken to Mannerud “about her father.”¹⁴⁹ As for a subsequent conversation with Mannerud, Parker remembered only having asked Mannerud how the pardon effort was going and that Mannerud became upset.¹⁵⁰ Parker flatly denied having approached Mannerud on Rodham’s behalf with a reduced offer of \$30,000 for services relating to Fuentes’ pardon proceedings.¹⁵¹

D. Tony Rodham’s Representations to Mannerud Were Fraudulent

Tony Rodham’s activities in the Fuentes case go beyond an attempt by Rodham to sell his political access for \$50,000. Rather, Rodham’s actions were a potentially criminal attempt to defraud Vivian Mannerud of \$50,000 by making serious misrepresentations to her about the actions he would take to help her. Almost all of the statements made by Rodham to Mannerud in the course of his efforts to be hired by Mannerud were false. Tony Rodham does not know

¹³⁸ Telephone Interview with Marilyn J. Parker (Dec. 18, 2001).

¹³⁹ *Id.*

¹⁴⁰ *Id.*

¹⁴¹ *Id.*

¹⁴² *Id.*

¹⁴³ Telephone Interview with Vivian Mannerud (Aug. 28, 2001).

¹⁴⁴ *Id.*

¹⁴⁵ *Id.*

¹⁴⁶ *Id.*

¹⁴⁷ *Id.*

¹⁴⁸ *Id.*

¹⁴⁹ *Id.*

¹⁵⁰ *Id.*

¹⁵¹ *Id.*

Roger Adams or his wife.¹⁵² In fact, Adams has never met Tony or Hugh Rodham. Adams is not from Arkansas and has been to Arkansas only once in his life, in the 1970s.¹⁵³ Adams' wife does not work for a law firm at all, let alone one that handles pardon matters.¹⁵⁴ In fact, Adams' wife is not even an attorney.¹⁵⁵ When Committee staff informed Mannerud that Rodham in fact had no relationship with Adams, she stated that she was "shocked" because Rodham left no doubt that he was close with Adams and that he intended to use that relationship to obtain the pardon for Fuentes.¹⁵⁶

There are several questions about Tony Rodham's actions in this case. First, what is Rodham's response to Mannerud's charges? Second, what was Rodham's motivation for making these false representations to Mannerud? Third, were the actions taken by Rodham and Marilyn Parker criminal?

Due to Rodham's refusal to participate in an interview, the Committee has not been able to determine Rodham's response to these charges. However, in the absence of Rodham's cooperation, it still appears that there is substantial corroboration for Mannerud's account. First, Marilyn Parker recalls a number of key details from the first meeting at the Mayflower Hotel. Second, Tony Rodham had in his possession a copy of Fernando Fuentes Coba's pardon petition. Third, Mannerud has provided the Committee with a detailed and credible account.

It is difficult to divine Tony Rodham's motivation for making these false representations to Vivian Mannerud. It is possible that Rodham was concerned about the appearance of impropriety if he asked for \$50,000 to lobby his sister or brother-in-law for a pardon, especially considering the fact that he was not an attorney. To address this concern, Rodham may have concocted a cover story that he needed the \$50,000 to hire a law firm which was close to Roger Adams when in reality no such firm existed and Rodham was going to keep the \$50,000 for himself.

The final, and most important, question is whether the actions taken by Tony Rodham or Marilyn Parker were criminal. It is certainly possible that Rodham and Parker engaged in a conspiracy to defraud Mannerud. Clearly, Mannerud ended up rejecting the overtures from Rodham and Parker and was never defrauded of any funds. However, the actions by Rodham and Parker may have amounted to a criminal conspiracy.¹⁵⁷ The Committee does not have sufficient evidence at this point to conclude that criminal conduct took place but strongly recommends that the Department of Justice examine this case and obtain sworn testimony from all of the relevant actors.

¹⁵² Telephone Interview with Roger Adams (Sept. 4, 2001).

¹⁵³ *Id.*

¹⁵⁴ *Id.*

¹⁵⁵ *Id.*

¹⁵⁶ Telephone Interview with Vivian Mannerud (Aug. 28, 2001).

¹⁵⁷ Based on the information currently available to the Committee, it appears that Tony Rodham and Marilyn J. Parker might be criminally liable for conspiracy under 18 U.S.C. § 371 or 18 U.S.C. § 1343 (wire fraud). Liability as to Rodham and Parker under those statutes turns on the extent to which Rodham and Parker devised or intended to devise a scheme to defraud Mannerud and whether the telephone call by Parker to Mannerud was made interstate and in furtherance of the underlying scheme. If Parker did not conspire with Rodham to defraud Mannerud, it appears that liability as to Parker turns on whether she knowingly and willingly participated in Rodham's fraud scheme. *See, e.g., U.S. v. Maxwell*, 920 F.2d 1028 (C.A.D.C. 1990).